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TO: JIM RAPORTE **DATE:** 3/11/92

FROM: JAMES TAYLOR

SUBJECT: **PURCHASE REQUIREMENTS ON PACK PROMOTIONS**

I CONTINUE TO FEEL THAT WE ARE NOT ASKING CONSUMERS FOR A HIGH ENOUGH PURCHASE REQUIREMENT FOR ON PACK PREMIUM OFFERS.

GIVEN OUR KNOWLEDGE RELATING TO ALTERNATE PURCHASING AND THE FACT THAT PREMIUMS MOST COMMONLY REWARD OUR OWN SMOKERS, IT SEEMS TO MAKE STRATEGIC SENSE TO INCREASE THE PURCHASE REQUIREMENT.

THIS ONLY NEEDS TO BE ONE A ONE PACK INCREMENT, IE; 3 PACK AND T-SHIRT GOING TO A 4 PACK OFFER ETC, BUT IT HAS SIGNIFICANT VOLUME BENEFITS WHEN YOU CONSIDER THAT (AT LEAST WITH SOME OF OUR PROMOTIONS), WE CAN KEEP A SMOKER OUT OF THE MARKET THAT MUCH LONGER.

OTHER REASONS IN SUPPORT OF THIS THINKING

- EVEN IF WE DOUBLE THE SELL THROUGH TIME FOR EACH PACK PROMOTION, IT STILL WON'T BE THERE LONG ENOUGH -- BUT WE'LL GAIN MORE VISIBILITY.

- WE OFFER PREMIUMS THAT ARE WORTH THE EXTRA OUTLAY. TOP QUALITY. COOL, UNIQUE AND PRACTICAL.

- BUDGET EFFICIENCY. COST PER '000 GOES DOWN, PROMOTED VOLUME GOES UP.

I THINK IT'S IMPORTANT THAT WE GIVE THIS A LOT OF CONSIDERATION. IF WE HAVE CONCERNS, WE CAN TEST IT AND ASK THE SALESFORCE TO LET US KNOW WHAT HAPPENS.

REGARDS

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Source: https://www.industrydocuments.ucsf.edu/docs/klby0004